

ACCOUNTING

DESCRIPTION

The Accounting Department provides financial services to County and School Board departments and ensures County compliance with legal, regulatory, and professional requirements. The Department is comprised of five teams: financial systems, payroll, accounts payable, general

accounting, and administration. The five primary goals of the Department are to: provide excellent financial services; provide world class customer service; ensure fiscal integrity; be the first choice for employment; and be the model for excellence in government.

FINANCIAL ACTIVITY

	FY2000 Actual	FY2001 Adopted	FY2002 Biennial Planned	FY2002 Adopted	Change FY2001 to FY2002	FY2003 Projected	FY2004 Projected	FY2005 Projected
Personnel	\$1,793,869	\$1,868,200	\$1,924,300	\$2,005,700	7.4%	\$2,065,900	\$2,127,800	\$2,191,600
Operating	391,337	405,700	419,900	403,600	-0.5%	403,600	403,600	403,600
Capital	<u>31,566</u>	<u>45,600</u>	<u>31,400</u>	<u>35,900</u>	-21.3%	<u>35,900</u>	<u>35,900</u>	<u>35,900</u>
Total	\$2,216,772	\$2,319,500	\$2,375,600	\$2,445,200	5.4%	\$2,505,400	\$2,567,300	\$2,631,100
Revenue	<u>798,948</u>	<u>797,700</u>	<u>797,700</u>	<u>860,700</u>	7.9%	<u>910,700</u>	<u>940,700</u>	<u>970,700</u>
Net Cost	\$1,417,824	\$1,521,800	\$1,577,900	\$1,584,500	4.1%	\$1,594,700	\$1,626,600	\$1,660,400
FT Pos.	38	38	38	38	0	38	38	38

BUDGET ANALYSIS AND EVALUATION

The Department continues to work towards supporting the County's strategic goals and objectives. To help provide world class customer service the Department performs a Customer Satisfaction Survey annually. The overall results from the FY2000 survey indicate that the Department is doing a good job of meeting the needs of their customers. The Department was able to identify areas that need improvement and has created initiatives that will facilitate these improvements. The Department will continue to conduct this survey so it can help identify ways to improve customer service.

The Accounting Department continues to refine performance measurements, and will use these measurements to monitor how well it is meeting objectives and for benchmarking purposes. The Department continues to support TQI efforts, over 50 percent of the employees within the Department have graduated from TQI University.

During FY2000 the Department changed the fixed asset policy by increasing the capitalization threshold from \$1,000 to \$5,000. It is estimated this will reduce the amount of time for fixed asset inventory in future years throughout the County and School system by at least 1,700 hours per year due to the decrease in number of assets tracked. The change eliminated duplicate tracking of items such as computer equipment for Schools and several departments within the County. The frequency of fixed asset inventories was also reduced from annually to bi-annually for departments and school locations that have a 97% accuracy rate with their inventory.

The Governmental Accounting Standards Board's (GASB) changes to the financial reporting model will substantially change financial reporting requirements for governments and impact reporting systems. Staff attended several training sessions and analyzed the new reporting pronouncement to

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obtain an understanding of the requirements. Staff prepared proforma statements ('Statement of Net Assets', 'Statement of Activities', and 'Fund Based Statements'), based on the new requirements using FY99 data, to examine the effects of reporting Chesterfield's financial information in accordance with the new financial statement presentation. The Department has also updated specific departments that need to provide pertinent information for reporting compliance. The County will be in full compliance with the new pronouncement by FY2002.

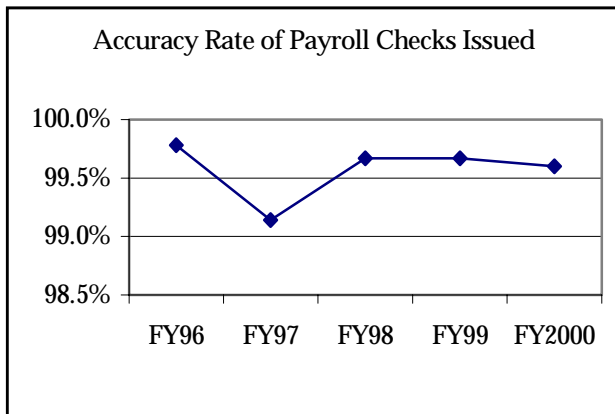
As automation increases, Accounting employees with more technical and analytical skills will be in

higher demand than those with clerical skills. The Department is currently working to ensure that the employees will get the training needed to keep up with automation and prepare them for the future. With job skills changing it will be critical for the Department to try and ensure competitive compensation and benefits for their employees.

The FY2002 budget includes an adjustment for personnel and information systems maintenance contracts. Recent practices over the past two years have resulted in the need to adjust the personnel budget in order to provide a more competitive and equitable compensation package.

HOW ARE WE DOING?

Goal: To provide excellent financial services. Supports Countywide Strategic Goal Numbers 1 and 6.
Objective: Provide accurate payroll services that meet our customers needs
Measure: Accuracy rate of payroll checks issued



Initiatives

- Issue Payroll Policy and Procedures
- Routine customer training
- Implement new Human Resources/Payroll Information System
- Updated Business Contingency Plan

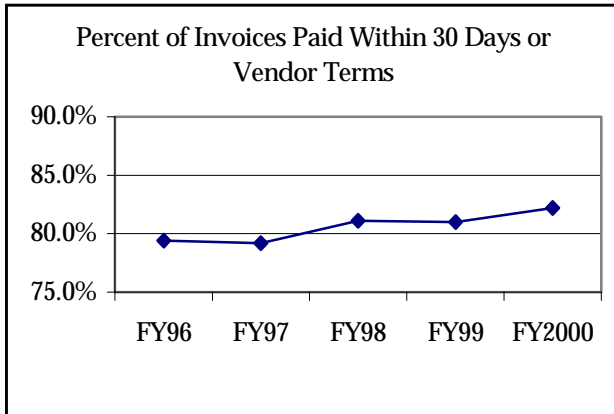
Note: Targets were not established for this measure for the period FY96 - FY2000.

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Goal: To provide excellent financial services. Supports Countywide Strategic Goal Numbers 1 and 6.

Objective: Ensure prompt and accurate payments for goods and services

Measure: Percent of invoices paid within 30 days or vendor terms



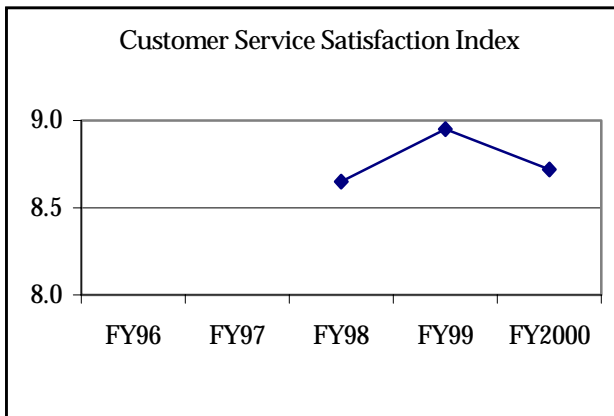
Initiatives

- Routine customer training
- Implement Automated Clearing House to pay selected vendors
- Purchasing card rollout
- Meet with key vendors to improve billing processes

Goal: To provide world class customer service. Supports Countywide Strategic Goal Number 1.

Objective: Continuously improve customer satisfaction

Measure: Internal customer satisfaction survey index (maximum score is 10)



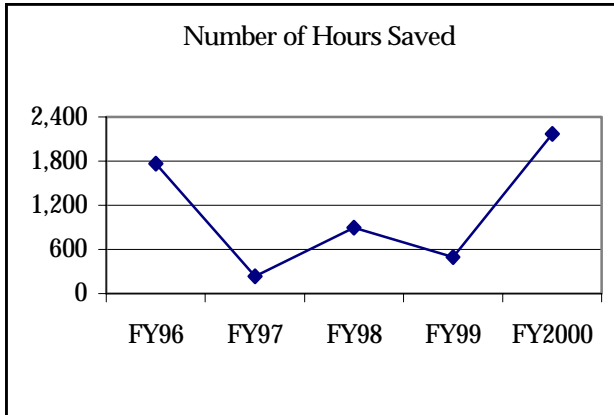
Initiatives

- Annual customer service training
- Review survey results and set goals for improvement
- Keep Intranet information updated
- Redesign reception area

Note: Targets were not established for these measures for the period FY96 - FY2000.

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Goal: To provide excellent financial services. Supports Countywide Strategic Goal Numbers 1 and 6.
Objective: Continuously evaluate and improve processes to increase efficiency
Measure: Number of hours saved



Initiatives

- Improve success story form
- Implement Financial Management Information System
- Encourage TQI class participation and application of skills
- Implement Imaging system for accounts payable

Note: Targets were not established for the above measures for the period FY96 - FY2000. The Department has now established targets for FY2001 and FY2002 for these measures and intends to report them in coming years.

WHERE ARE WE GOING?

A decision to move forward with both a new Financial and Human Resources/Payroll system will create a challenge within the next few years for the Accounting Department. A project with such a large scope will certainly have an impact on the current staff's duties and workloads. The new system will require the Accounting staff to develop more technical and analytical skills. A plan was put in place during FY2000 and continued during FY2001 to identify training needs and to insure that the staff will receive the appropriate training. The Department will also be working to professionally develop employees and to define career paths. The

staff will continue to work on the financial reporting model that includes educating others outside of the Accounting Department with the changes in the reporting requirements from the Governmental Accounting Standards Board. The Accounting Department is continually challenged with the increase in demand for services from their customers.

Future projections include minimal personnel increases due to anticipated benefit increases. Slight increases in revenues are also included which are intended to offset, in part, costs for services.